HOUSE BILL 477

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Larry A. Larrañaga

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS FOR ROAD PROJECTS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. SEVERANCE TAX BONDS--AUTHORIZATIONS-- APPROPRIATION OF PROCEEDS FOR ROAD PROJECTS.--

A. The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not exceeding a total of one hundred fifty million dollars ($150,000,000) when the department of transportation certifies the need for the issuance of the bonds.

B. The state board of finance shall schedule the issuance and sale of the bonds in the most expeditious and economical manner possible upon a finding by the board that,

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1   based upon a certification from the department of

2   transportation, the proceeds of the bonds are needed and that

3   construction on the projects will begin within twelve months

4   after the bonds are sold. The state board of finance shall

5   further take the appropriate steps necessary to comply with the

6   federal Internal Revenue Code of 1986, as amended. The state

7   board of finance may issue and sell the bonds in the same

8   manner as other severance tax bonds in an amount not to exceed

9   the authorized amount provided for in Subsection A of this

10   section.

11   C.   The proceeds from the sale of the bonds are

12   appropriated to the state road fund for the construction,

13   improvement or maintenance of state highways and bridges

14   pursuant to the statewide transportation improvement plan;

15   provided that the projects shall be selected in a manner to

16   ensure that all areas of the state are benefited.

17   D.   Money from the severance tax bonds provided for

18   in this section shall not be used to pay indirect costs. If

19   the department of transportation has not certified the need for

20   the issuance of the bonds by July 1, 2012, the authorization

21   provided in this section shall expire.

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